



**AARP Michigan** T 1-866-227-7448  
309 N. Washington Square F 517-482-2794  
Suite 110 www.aarp.org/mi  
Lansing, MI 48933

June 5, 2013

The Honorable Mike Callton, Chair, and  
Members of the House Committee on Financial Services  
P.O. Box 30014  
Lansing, MI 48909

Re: ***House Bills 4764 - 4767***

Dear Chairman Callton and Members of the Committee,

We are writing on behalf of AARP Michigan to express our opposition to House Bill 4767, and to share with you our concerns regarding House Bills 4764, 4765 and 4766.

AARP is a nonprofit, nonpartisan 501(c)(4) social welfare organization that advocates on issues that matter to people aged 50 and over, and their families. More than 1.4 million Michigan citizens are AARP members.

From 2007 to 2011, more than 1.5 million older Americans lost their homes as a result of the mortgage crisis. As of December 2011, approximately 1.2 million mortgage loans of people age 50 and older were in foreclosure or were 90 or more days delinquent.

It is difficult to recover from the loss of a home in any state, and at any age, but Michigan residents and older homeowners have been hit especially hard. Many older workers lost jobs during the recent recession, and once unemployed, older people tend to face longer periods of unemployment than their younger counterparts. As of April 2013, 52.8 percent of older jobseekers were long-term unemployed, which means they had been out of work for 27 or more weeks.

Michigan law currently allows homeowners who are facing foreclosure a 6-month redemption period in which to either come up with the funds to redeem their home, sell their home by short sale, challenge an illegal or fraudulent foreclosure, or find a new place to live. House Bill 4767 would shorten Michigan's longstanding 6-month redemption period to 60 days, which is simply not enough time for a typical unemployed homeowner to find a job, or for a short sale to close, or for an aggrieved homeowner to mount a case and successfully challenge a fraudulent foreclosure.

We are also concerned that House Bill 4765 would repeal Michigan's current Pre-Foreclosure Redemption Law in full after the new federal Consumer Financial Protection Bureau mortgage servicing rules take effect in 2014. Michigan's existing law provides certain consumer protections that are not addressed in the federal rules, and that we would urge you to preserve, such as protections against scammers posing as foreclosure prevention counselors or attorneys.

Finally, while we support the substance of House Bill 4764, which would extend the sunset on Michigan's Pre-Foreclosure Redemption Law, we must oppose that bill as well, so long as its tiebars to HBs 4765, 4766 and 4767 remain.

Thank you for the opportunity to share this information with the committee, and for your work on these important issues. If you have any questions or if there is further information we can provide, please feel free to contact AARP Michigan's Manager of Advocacy, Lisa Dedden Cooper, at 517-267-8923 or lcooper@aarp.org.

Sincerely,

A handwritten signature in cursive script that reads "Jacqueline Morrison".

Jacqueline Morrison  
State Director

A handwritten signature in cursive script that reads "Tom Kimble".

Thomas E. Kimble  
State President